



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

July 27, 1989

Mr. Joe D. Bierschied
B & W Construction
P.O. Box 398
Moab, Utah 84532

Dear Mr. Bierschied:

Re: Transfer of Probe, Snow, and Four Corner, M/015/011, M/015/013, M/015/014,
Emery County, Utah

I received the three transfer notices for the mines listed above on July 10, 1989. I anticipate no problem with Division approval for the Probe, since it is under 5 acres. The Snow and Four Corners may take a little longer to obtain approval, since these will require a Board action.

The Division has re-evaluated the bonds for the Snow and the Four Corners. These estimates are enclosed with this letter. A Reclamation Surety must be posted for each site before the transfers become final. The Board of Oil, Gas and Mining will make the final decision. Also, please find enclosed two Reclamation Contract forms, to be used in regard to the new reclamation surety. Until the transfers are finalized, the Division will continue to hold Atlas Minerals responsible for these sites.

In order that the Board might take action on these sites by August 25, 1989, I will need to have the completed Reclamation Contracts returned to me by August 8, 1989. If the information is received later, no decision will be made until the Board meets again September 28, 1989.

If you have further questions, please don't hesitate to call.

Sincerely,

Holland Shepherd
Reclamation Specialist/Permit Lead

jb
Enclosures
cc: Richard Blubaugh, Atlas Minerals, Grand Junction
Lowell Braxton
MN5/125

Reclamation Estimate for the Atlas Four Corners Mine M/015/014

Prepared By
Utah State Division of Oil, Gas and Mining
May 23, 1989 Revised July 14, 1989

| Description | Quantity | Unit | \$/Unit | Total Cost (\$) |
|--|----------|-------------|---------|--------------------|
| Facilities Reclamation | | | | |
| Demolish and Dispose of Buildings | 3,500 | Square Feet | 2.9 | (a) |
| Plug and Cover Vent Hole (24 inch) | | Lump Sum | | 2,000 |
| Install Bulkhead 100 feet Inside Portal | | Lump Sum | | 1,200 |
| Backfill Decline to Bulkhead | 600 | Cubic Yards | 0.60 | 360 |
| Remove Trash | 2 | Acres | 100 | 200 |
| Grade for Uniformity | 2 | Acres | 400 | 800 |
| Revegetate | 2 | Acres | 175 | 350 |
| Subtotal | | | | 4,910 |
| Completed Partial Reclamation (b) | | | | |
| Revegetate | 4.8 | Acres | 175 | 840 |
| Totals | | | | 5,750 |
| Add Contingency (10%) | | | | 580 |
| TOTAL RECLAMATION COST (1989 Dollars) | | | | 6,330 |
| TOTAL RECLAMATION COST (1991 Dollars) @ 1.93% Annual Inflation | | | | 7,000 |

Note: (a) The operator has provided a third party estimate indicating the salvage value exceeds the reclamation cost.
(b) Most of the area (4.8 acres) was reclaimed during 1988. The surety is estimated through 1991 (3 growing seasons).

| Revegetation Cost per Acre | Quantity | Unit | \$/Unit | Total Cost (\$) |
|----------------------------------|----------|--------|---------|--------------------|
| Bare Costs | | | | |
| Seed Mix | 19 | Pounds | 7.37 | 140 |
| Application Costs | | | | |
| Seed Mix (broadcast by hand) | 0.5 | Hours | 24 | 12 |
| Scarify (tractor with chain) | 0.3 | Hours | 67 | 23 |
| Subtotal | | | | 35 |
| Total Revegetation Cost per Acre | | | | 175 |

Reclamation Estimate for the Atlas Minerals Snow Mine M/015/013

Prepared By
Utah State Division of Oil, Gas and Mining
May 23, 1989 Revised July 14, 1989

| Description | Quantity | Unit | \$/Unit | Total Cost (\$) |
|--|----------|-------------|---------|--------------------|
| Facilities Reclamation | | | | |
| Demolish and Dispose of Buildings | 4,100 | Square Feet | 2.9 | (a) |
| Demolish and Dispose of Water Tanks | | Lump Sum | | 2,000 |
| Demolish and Dispose of Head Frame | | Lump Sum | | 1,500 |
| Remove Trash | 4 | Acres | 100 | 400 |
| Grade for Uniformity | 4 | Acres | 400 | 1,600 |
| Revegetate | 4 | Acres | 175 | 700 |
| Subtotal | | | | 6,200 |
| Completed Partial Reclamation (b) | | | | |
| Revegetate | 8.2 | Acres | 175 | 1,430 |
| Totals | | | | 7,630 |
| Add Contingency (10%) | | | | 760 |
| TOTAL RECLAMATION COST (1989 Dollars) | | | | 8,390 |
| TOTAL RECLAMATION COST (1991 Dollars) @ 1.93% Annual Inflation | | | | 9,000 |

Note: (a) The operator has provided a third party estimate indicating the salvage value exceeds the reclamation cost.
(b) Most of the area (8.2 acres) was reclaimed during 1988. The surety is estimated through 1991 (3 growing seasons).

| Revegetation Cost per Acre | Quantity | Unit | \$/Unit | Total Cost (\$) |
|----------------------------------|----------|--------|---------|--------------------|
| Bare Costs | | | | |
| Seed Mix | 19 | Pounds | 7.37 | 140 |
| Application Costs | | | | |
| Seed Mix (broadcast by hand) | 0.5 | Hours | 24 | 12 |
| Scarify (tractor with chain) | 0.3 | Hours | 67 | 23 |
| Subtotal | | | | 35 |
| Total Revegetation Cost per Acre | | | | 175 |